



# ANNUAL REPORT

For the Year Ended

December 31, 1931

# STORES CO.

424 NORTH NINETEENTH STREET

PHILADELPHIA, PA.

OFFICE OF THE PRESIDENT

## *To the Stockholders of American Stores Company:*

The operations for the year ended December 31, 1931, after providing for depreciation, taxes and reserve for contingencies, resulted in a profit of \$5,270,890.59, equivalent to \$3.76 per share on 1,399,600 shares of common stock outstanding in the hands of the public at December 31, 1931. This compares with \$5,930,149.65 or \$4.01 per share on 1,478,791 shares for the year 1930.

Sales for the year amounted to \$135,226,406.84 as compared with \$142,770,476.96 for the year 1930 or a decrease of 5.234%. This decrease was due principally to the continued decline in commodity prices and to business conditions generally. At December 31, 1931, 2,806 stores were in operation as compared with 2,728 at the end of the year 1930 or an increase during the year of 78 stores.

Inventories of merchandise have been reduced during the year to the extent of \$2,158,841.62 and in accordance with the company's usual practice the closing inventory at December 31, 1931 has been valued at the lower of cost or market prices.

Improvements have been made to the company's properties to take care of expansion in the new territories recently developed in northern part of New York state and in Maryland. A modern warehouse and an up-to-date bakery has been constructed in Syracuse and a large addition is being made to the warehouse in Baltimore. A new floor has been added to the building at 19th and Hamilton Streets, Philadelphia, to provide additional quarters for the administrative and executive forces.


In conformity with resolutions adopted at the annual stockholders' meeting held on March 18, 1931, 161,403 $\frac{1}{2}$  shares of common stock were retired and cancelled. The paid-in capital of the company was thereby reduced by \$2,233,609.61 and earned surplus in the sum of \$5,198,703.90.

During the years 1920 to 1927 inclusive, the stockholders approved the setting aside of sums ranging from \$10,000. to \$50,000. annually as a relief fund for employees of the company and their families. This fund was administered by the officers and was invested largely in shares of common stock of the company. Distributions of income were made to needy cases throughout the period. In order to facilitate the administration of this work it has been deemed advisable to transfer the assets of this fund to the company and to charge the annual distributions hereafter against income.

During the year 72,006 shares of common stock were either purchased in the open market or acquired through the cancellation under the terms of a plan providing for employee subscriptions to capital stock. In addition 7,285 shares were received from the relief fund hereinbefore mentioned. At December 31, 1931, 200,500 shares of common stock were held in Treasury. Following the policy of gradually reducing the outstanding capital, the Directors propose to recommend a further retirement of common stock to the extent of all or part of the aforementioned shares held in Treasury at December 31, 1931.

Your company is in excellent financial condition and in a position to benefit fully when economic conditions improve.

March 1, 1932.



President.

# AMERICAN STORES COMPANY

## and Subsidiary Companies

### Consolidated Balance Sheet

*December 31, 1931*

#### ASSETS

##### Current Assets

Cash.....	\$ 3,851,093.09
U. S. Government and Other Marketable Securities—at cost....	3,893,805.28
Due from Philadelphia Unemployment Relief Agencies .....	491,277.86
Accounts Receivable.....	307,388.39
Inventories—at cost or market, whichever was lower .....	10,758,123.29
Accrued Interest Receivable .....	36,767.47

Total Current Assets..... 19,338,455.38

Loans to Employees—secured by Common Stock of Company ...	1,062,295.00
Treasury Stock—200,500 shares Common Stock.....	8,663,632.22

##### Fixed Assets

Warehouses, Store Properties, Bakeries, Canneries, Garages, Stables, etc.—at cost.....	\$ 20,242,326.17
Less: Reserve for Depreciation.....	<u>7,234,008.14</u>
	13,008,318.03

Goodwill.....	1.00
Deferred Charges.....	409,752.07
	<u>\$ 42,482,453.70</u>

#### LIABILITIES

##### Current Liabilities

Accounts Payable and Accrued Charges.....	\$ 2,169,033.55
Dividend Payable.....	707,750.00
Reserve for Federal and State Taxes .....	838,569.81
Total Current Liabilities.....	3,715,353.36

Reserve for Contingencies .....	342,434.82
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##### Capital and Surplus

Common Stock—no par value	
1,800,000 shares authorized	
1,600,000 shares issued and outstanding.....	\$ 22,141,893.10
Earned Surplus.....	16,282,772.42
	<u>38,424,665.52</u>
	<u>\$ 42,482,453.70</u>

# AMERICAN STORES COMPANY

and Subsidiary Companies

## Consolidated Statement of Profit and Loss for the Year Ended December 31, 1931

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Sales.....		\$135,226,406.84
Cost of Merchandise Sold.....		<u>106,897,890.08</u>
Gross Profit.....		28,328,516.76
Wages, Rents, Operating and Administrative Expenses.....	\$ 21,269,165.49	
Depreciation.....	1,005,037.72	
Reserve for contingencies.....	<u>300,000.00</u>	22,574,203.21
Profit from Operations.....		5,754,313.55
Other Income.....		<u>266,577.04</u>
Net Profit before Federal Income Tax.		6,020,890.59
Reserve for Federal Income Tax.....		<u>750,000.00</u>
Net Income.....		<u><u>\$ 5,270,890.59</u></u>

## Consolidated Earned Surplus

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Balance at December 31, 1930.....		\$ 19,521,298.55
Less: Excess of cost over average paid-in value of 161,403 $\frac{1}{8}$ shares of Common Stock retired and cancelled .....		<u>5,198,703.90</u>
		14,322,594.65
Add: Securities and cash transferred from Relief Fund.....	\$ 276,268.68	
Net Income for year 1931.....	<u>5,270,890.59</u>	5,547,159.27
		\$ 19,869,753.92
Deduct: Dividends on Common Stock.....		<u>3,586,981.50</u>
Balance at December 31, 1931.....		<u><u>\$ 16,282,772.42</u></u>

NEW YORK, N.Y.  
CHICAGO, ILL.  
BOSTON, MASS.  
PHILADELPHIA, PA.  
SAN FRANCISCO, CAL.  
LOS ANGELES, CAL.  
UTICA, NEW YORK  
DALLAS, TEX.  
DETROIT, MICH.  
CLEVELAND, OHIO  
ST. LOUIS, MO.  
HOUSTON, TEX.  
TULSA, OKLA.  
SEATTLE, WASH.  
PORTLAND, ORE.  
BALTIMORE, MD.

# BARROW, WADE, GUTHRIE & CO.

ACCOUNTANTS AND AUDITORS  
(ESTABLISHED 1883)

PACKARD BUILDING  
FIFTEENTH AND CHESTNUT STREETS  
PHILADELPHIA, PA.

MONTREAL, CANADA  
TORONTO, CANADA  
MEXICO CITY, MEXICO  
LONDON, ENGLAND  
MANCHESTER, ENGLAND  
GLASGOW, SCOTLAND  
MELBOURNE, AUSTRALIA  
SYDNEY, AUSTRALIA  
BUENOS AIRES, ARGENTINE  
RIO DE JANEIRO, BRAZIL  
PARA, BRAZIL  
SAO PAULO, BRAZIL  
PARIS, FRANCE  
BERLIN, GERMANY  
HAMBURG, GERMANY  
ANTWERP, BELGIUM

To the Directors of  
American Stores Company,  
424 N. 19th Street,  
Philadelphia, Pa.

Dear Sirs:

We have examined the accounts of the American Stores Company and its subsidiary companies for the year ended December 31, 1931.

The cash and securities have been accounted for by actual inspection or by certificates received from the depositories. The inventories, as attested by responsible officials, have been valued at cost or market, whichever was lower. Depreciation has been provided for on a conservative basis, and provision made for all ascertainable liabilities.

The accompanying Consolidated Balance Sheet and Profit and Loss Account, in our opinion, present, respectively, the financial condition of the American Stores Company and its subsidiary companies as at December 31, 1931, and the results of their operations for the year ended that date.

Yours very truly,



Philadelphia, Pa.  
February 24, 1932.

# *American Stores Company*

## OFFICERS

<i>President</i> .....	Samuel Robinson
<i>Vice-President</i> .....	Robert H. Crawford
<i>Vice-President and General Manager</i> .....	James K. Robinson
<i>Vice-President and Treasurer</i> .....	Wm. M. M. Robinson
<i>Secretary</i> .....	E. J. Flanigan
<i>Assistant Treasurer</i> .....	Wm. Gould
<i>Assistant Secretary</i> .....	J. V. Keers

## DIRECTORS

Samuel Robinson	James K. Robinson
Robert H. Crawford	Wm. M. M. Robinson
John Eagleson	Joseph Gilfillan
E. J. Flanigan	William Park
John M. Hancock	